

REPORT OF THE COMMITTEE ON LEGISLATIVE MATTERS

Voting Members

Ernest Y. Martin, Chair; Kymberly Marcos Pine, Vice-Chair;
Ikaika Anderson, Brandon J.C. Elefante, Carol Fukunaga,
Ann H. Kobayashi, Joey Manahan, Ron Menor, Trevor Ozawa

Committee Meeting Held
October 30, 2018

Honorable Ernest Martin
Chair, City Council
City and County of Honolulu

Mr. Chair:

Your Committee on Legislative Matters, to which was referred Resolution 18-132 entitled:

"RESOLUTION AUTHORIZING THE DIRECTOR OF BUDGET AND FISCAL SERVICES TO ISSUE AND SELL IN ONE OR MORE SERIES NOT TO EXCEED \$44,000,000 PRINCIPAL AMOUNT OF GENERAL OBLIGATION BONDS OF THE CITY AND COUNTY OF HONOLULU FOR THE PURPOSE OF FINANCING CAPITAL COSTS OF THE HONOLULU RAIL TRANSIT PROJECT,"

transmitted by Communication D-388, dated June 19, 2018, from the Department of Budget and Fiscal Services, and introduced on June 20, 2018, reports as follows:

The purpose of Resolution 18-132 is to authorize the Director of Budget and Fiscal Services to offer General Obligation (GO) Bonds at competitive sale or negotiate the sale in one or more series up to but not to exceed \$44,000,000 in aggregate principal amount for the purpose of financing a portion of the costs of capital costs of the Honolulu Rail Transit Project provided that the following conditions are met:

- a. The Council passes an amendment to Ordinance 07-001 to allow City funds to be used to pay the principal, interest and other bond-associated costs of these GO Bonds in the aggregate principal amount not to exceed \$44,000,000;

CITY COUNCIL

CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII

ADOPTED ON **OCT 30 2018**

COMMITTEE REPORT NO. **370**

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- b. The City and HART enter into an agreement (the "Agreement") regarding the issuance and sale of these GO Bonds in the aggregate principal amount not to exceed \$44,000,000 to set forth the obligations of HART to the City and the City to HART concerning these GO Bonds; and
- c. The City as set forth in the Agreement, agrees to be responsible for payment of principal, interest, and other bond-associated costs for these GO Bonds in the aggregate principal amount not to exceed \$44,000,000.

At its meeting on October 30, 2018, your Committee considered Bill 42 (2017), Resolution 18-127, Resolution 18-132, Resolution 18-237, and Resolution 18-239 together. Testimony in support of the measures was received from the Hawaii Laborers Union Local 368, Hawaii LECET, and the Hawaii Construction Alliance. Nine members of the Financial Accountability for Rail Mass Transit Association, and six individuals testified in opposition to the measures. Three individuals provided comments. Written testimony in support of the measures was received from Hawaii LECET, the Hawaii Operating Engineers Industry Stabilization Fund, the Hawaii Laborers Union Local 368, the Hawaii Lodging & Tourism Association, and one individual. Written testimony in opposition to the measures was received from six individuals.

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Your Committee on Legislative Matters is in accord with the intent and purpose of Resolution 18-132 and recommends its adoption. (Ayes: Martin, Anderson, Elefante, Fukunaga, Manahan, Menor, Pine – 7; Noes: Kobayashi, Ozawa – 2.)

Respectfully submitted,



Committee Chair

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